

21 July 1977

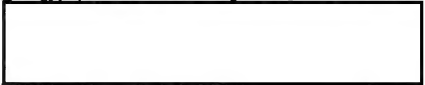
MEMORANDUM FOR THE RECORD

SUBJECT: Luncheon Meeting with Joe Kraft, 19 July

1. Joe Kraft invited me to lunch as he has said several times he would. I presumed he wanted to talk about fast-breaking developments in China. However, to check this, I first phoned Mr. Hetu and he informed me that Joe Kraft had phoned him that same morning posing a number of questions on the intelligence community and the DCI.

2. Joe and I did spend three-quarters of the lunch time talking China. He asked a number of questions about what was going on and I drew on our analysis to give him a view of the situation. At one point Joe said he had some other questions to ask me but that he would understand if I didn't answer. He then asked me what was happening at the Agency, how was the DCI faring in his struggle with the Defense Department over resources, what was behind Knoche's resignation. I told Joe truthfully I had very little to offer on these subjects. I did say that despite dire statements in the press, I personally thought things were going rather well under a new vigorous leadership. There were certain problems, especially in DDO, but performance, in my view, had not faltered.

3. Joe told me that a high powered US publishers group was going to China in September including Kay Graham of The Washinton Post and Sulzberger of the Times. We agreed that the Chinese were getting into the public relations business in the United States again. Joe asked me if I would be willing to brief this group along with Mike Oksenberg of the NSC. I said I would be available subject to approval by my superiors.


James R. Hickey
National Intelligence Officer
for China

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